

## **REMARKS**

### **I. INTRODUCTION**

Applicant thanks the Examiner for the courtesies he extended in conducting, on short notice, the telephone interview of October 17, 2003. An Interview Summary pursuant to 37 C.F.R. § 1.133 is attached herewith.

Claims 1-19 are pending in the present application. Claims 1-9 and 13-15 have been amended to correct various informalities. No surrender of claim scope is intended. New claims 20-26 have been added to more clearly and distinctly claim what the Applicant regards as his invention. Claims 1-26 are now currently pending in the present application. The Specification has been amended to incorporate material already present in the original disclosure. The amendments do not add new matter and find support throughout the Specification, Figures and Claims as filed.

Respectfully, Applicant requests reconsideration of the present application in view of the following arguments.

### **II. OBJECTION TO SPECIFICATION**

The Examiner has objected to the Specification stating that “there is a lack of support for radiant energy source as recited in claims 4, 8 and 15.” Office Action, June 19, 2003/03, at 2. While disagreeing with the Examiner, to expedite prosecution, the Applicant has amended the Specification to conform with the formal requirements of MPEP § 608.01(i). *See* 37 C.F.R. § 1.75. Specifically, Applicant has amended the Specification to include the following:

In a further alternative, when processing lottery tickets 10 having chemically reactive coating material, the device 36 may apply a radiant energy to the chemically reactive coating.

It is respectfully submitted that this amendment does not add new matter. Specifically, support for the amended Specification may be found in original claim 4 which is part of the original disclosure. *See* MPEP § 706.03. In view of this, Applicant respectfully submits that

the Specification as amended incorporates and fully supports the radiant energy source as recited in claims 4, 8 and 15 and requests the objection to the Specification be withdrawn.

### **III. OBJECTION TO CLAIMS 1, 4, 5, 14 AND 15**

Claims 1, 4, 5, 14 and 15 have been objected to because of informalities. Without conceding the need for these amendments, to expedite prosecution, the Applicant has amended claims 1, 4, 5, 14 and 15 for the purpose of improving readability and maintaining consistency as suggested by the Examiner. Claims 3 and 5 have also been amended to make it clear the claims are not in step plus function form. It is respectfully submitted that the amendments do not add new matter, do not surrender any claim scope, and place claims 1, 3, 4, 5, 14 and 15 in allowable condition.

### **IV. REJECTION OF CLAIMS 1-19 UNDER 35 U.S.C. § 103(a)**

Claims 1-19 stand rejected under 35 U.S.C. § 103(a), the Examiner contending these claims are unpatentable over Walker et al., U.S. Patent No. 6,086,477 ("Walker") in view of Ehrhart et al., Patent No. 6,186,404 B1 ("Ehrhart") and Beaty, U.S. Patent No. 5,682,819 ("Beaty"). Applicant respectfully submits that neither Walker, Ehrhart, Beaty, nor their proposed combination renders claims 1-19 obvious for at least the following reasons.

To establish a prima facie case of obviousness, the cited reference(s) must teach or suggest all the claim limitations. *See* MPEP § 2143 (emphasis added). It is respectfully submitted that the proposed combination of cited references does not teach or suggest all the claim limitations of Applicant's claim 1.

Applicant's amended claim 1 recites:

*1. A lottery terminal capable of canceling an unplayed uniquely numbered lottery ticket having a control number and an area with thermally reactive coating material disposed thereon, the terminal comprising:*  
*a microprocessor for controlling the operation of the terminal;*  
*imaging means for imaging the unplayed lottery ticket;*  
*memory means for storing data pertinent to the unplayed lottery ticket; and*  
*an automated lottery ticket cancellation device including means for receiving the unplayed lottery ticket therein and a thermal device for generating heat, the thermal device of the cancellation device automatically permanently marking the unplayed lottery ticket when the unplayed lottery ticket is received by the terminal for cancellation prior to the imaging means imaging the unplayed lottery ticket.*

Applicant respectfully submits that neither Walker, Beaty, Ehrhart nor their proposed combination teaches an automated lottery ticket cancellation device. The Examiner asserts that Beaty discloses "a lottery terminal, system and method capable of canceling an unplayed lottery ticket, the terminal comprising: imaging means for imaging the unplayed lottery ticket; an automated cancellation device including means for receiving the lottery ticket therein and permanently marking the unplayed lottery ticket prior to imaging the unplayed lottery ticket." Office Action, June 19, 2003, at 5. The Examiner further states that "in view of Beaty's teachings, it would have been obvious to one of ordinary skill in the art at the time of the invention to include, with the system and method as taught by Walker et al as modified by Ehrhart et al, canceling an unplayed lottery ticket; the cancellation device permanently marking the unplayed lottery ticket prior to imaging the unplayed lottery ticket ... ." Office Action, June 19, 2003, at 4. Applicant respectfully submits neither Beaty nor the proposed combination of cited references teaches the limitations of Applicant's claim 1. In particular, the cited references fail to teach an automated cancellation device, "... the cancellation device automatically permanently marking the unplayed lottery ticket when the unplayed lottery ticket is received by the terminal for cancellation." Simply because Beaty includes a printer does not mean that the lottery terminal comprises an automated cancellation device for making a ticket received by the terminal for cancellation. In fact, Beaty refers to the printer as "an auxiliary device." Beaty, col. 3, line 19. To the extent Beaty's printer might arguably be interpreted as a cancellation device, as posited by the Examiner, it does not automatically mark an unplayed lottery ticket when the ticket is received by the terminal for cancellation. In fact, Beaty's

device is separate from the terminal - an "auxiliary device." Thus, it is respectfully submitted that the assertion that Beaty teaches an automated cancellation device, citing Beaty column 3, lines 18-27, is not supported by Beaty. It is therefore respectfully submitted that claim 1 is patentable over the cited references.

Furthermore, Applicant respectfully submits that neither Walker, Beaty, Ehrhart nor their proposed combination teaches a lottery terminal that permanently marks a reactive area prior to imaging the unplayed lottery ticket. Specifically, neither Walker nor Ehrhart address unplayed ticket cancellation. Moreover, Ehrhart states that "rejecting" a "game ticket" refers to "the process of transporting a ticket 202 through reader 510 to the outlet thereof subsequent to capturing image data pertaining to the ticket without performing any further processing of the ticket involving, e.g., branding or validating." Ehrhart, col. 26, lines 36-41 (emphasis added). Thus, the invention in Ehrhart will brand or validate a game ticket only after it captures image data of the game ticket. See Ehrhart, Fig. 5-4. In contrast, Applicant's claim 1 is directed to a system that permanently marks a reactive area prior to imaging the unplayed lottery ticket. In addition, Beaty does not disclose a lottery terminal that automatically permanently marks a reactive area prior to imaging the unplayed lottery. More specifically, the unplayed lottery ticket is not required to go through the auxiliary device of Beaty prior to being cancelled since Beaty presents placing the void mark on the ticket and the actual cancellation of the ticket as two separate steps. Beaty, col. 3, lines 23-26. Under Beaty, it is possible for a lottery ticket vendor to attempt to cancel an unplayed lottery ticket without marking the ticket as canceled. In contrast, Applicant's claim 1 is directed to an automated lottery ticket cancellation device that automatically permanently marks the unplayed lottery ticket prior to imaging the ticket. Thus, it is respectfully submitted that Applicant's claim 1 is patentable over the cited references.

Similarly, with respect to claims 2-6, the radiant energy source of the cancellation device permanently marks the unplayed lottery ticket prior to the imaging means imaging. Thus, Applicant respectfully submits that, rather than teaching the proposed combination of Walker, Ehrhart and Beaty, this difference in process actually teaches away from the proposed combination. See MPEP § 2141.02 (portions of a reference that teach away from a proposed combination must be considered). Moreover, capturing image data prior to performing the

branding process would actually change the principle of operation of the proposed combination since the order in which the lottery ticket is imaged and cancelled differs. *See* MPEP § 2143.01 (proposed modification cannot change the principle of operation of a reference).

It is thus respectfully submitted that the Examiner's rejection to claims 1-6 should be withdrawn. Further, since claims 7-12 ultimately depend from claim 6, Applicant kindly requests that the rejection of these claims be withdrawn for at least the same reasons.

As further regards claim 3, Applicant respectfully submits that the proposed combination of Walker, Ehrhart and Beaty does not teach the claimed process for canceling an unplayed lottery ticket having a control number and an area with thermally reactive coating material disposed thereon. Applicant's amended claim 3 recites in relevant part:

*while the unplayed lottery ticket is inserted in the terminal,  
automatically activating the thermally reactive coating material of the  
unplayed lottery ticket for permanently marking the unplayed lottery;  
while the unplayed lottery ticket is inserted in the terminal,  
following the activating step, imaging the unplayed lottery ticket for  
detecting the activated thermally reactive coating material and for  
reading the control number of the unplayed lottery ticket; ...*

The proposed combination of cited references, Ehrhart plus Beaty plus Walker, does not teach the limitations of Applicant's claim 3. Neither Ehrhart nor Walker describe ticket cancellation at all. Beaty describes a two-step process for cancelling a ticket. In the first step, an auxiliary device places a void mark on the ticket. In the second step, the scanner reads the barcode or accepts the manually entered serial number of the ticket. Beaty, col. 3, lines 18-26. In contrast, in Applicant's claim 3, the unplayed lottery ticket is permanently marked and imaged while inserted in the terminal. Furthermore, the Applicant respectfully submits that the proposed combination does not teach a process for canceling an unplayed uniquely numbered ticket having a control number comprising the step of: "following the activating step, imaging the unplayed lottery ticket." Therefore, it is respectfully submitted that Applicant's claim 3 is patentable over the cited references. This argument also applies with equal weight to claim 5.

In addition, as further regards claim 13, the proposed combination of cited references

does not teach a method for canceling an unplayed lottery ticket having a reactive area, said method comprising: “after the permanent marking, imaging the unplayed lottery ticket as recited in claim 13.” Accordingly, Applicant kindly requests that the rejection to claim 13 be withdrawn. Further, since claims 14-19 ultimately depend from claim 13, Applicant kindly requests that the rejection of these claims be withdrawn for at least the same reasons.

As further regards claims 10 and 11, the Examiner states that “in view of Beaty’s teachings, it would have been obvious to one of ordinary skill in the art at the time of the invention to include, with the system and method taught by Walker et al as modified by Ehrhart et al, ... the input device being configured to receive a request to cancel an unplayed lottery ticket and to communicate the request to the controller; the controller being configured to activate the cancellation device in response to the request communicated.” Office Action, June 19, 2003, at 6. Applicant respectfully submits that the proposed combination does not teach the limitations of Applicant’s claims 10 and 11.

Specifically, none of the references or their proposed combination disclose a controller being configured to activate the cancellation device in response to a request communicated from an input device. The Examiner states that the lottery terminal described in Beaty “necessarily includes an input device to allow a user to enter data or indicate the desired operation and activate the terminal/printer.” Office Action, June 19, 2003, at 5. Applicant respectfully submits that Beaty does not teach or suggest such an input device. First, Applicant respectfully submits that the Examiner’s reference to the Beaty invention as a “terminal/printer” is misguided. Beaty refers to the printer as “an auxiliary device.” Beaty, col. 3, line 19. This suggests that the printer acts as a subsidiary to the terminal not as part of the terminal itself. Second, even if a terminal necessarily includes an input device, this input device would not be capable of activating a canceling transaction since the canceling device, *i.e.*, the printer is auxiliary to the terminal. It is respectfully submitted that Beaty does not teach or suggest a controller being configured to activate the cancellation device in response to a request communicated from an input device.

Furthermore, neither Walker nor Ehrhart teaches a controller with such capabilities.

The Examiner states that Walker discloses “an input/output device (41) in communication with the controller.” Office Action, June 19, 2003, at 3. Walker describes an input/output device (41) that includes appropriate means for communicating data between a human operator and terminal (31). Walker, col. 6, lines 31-36. According to Walker: “[i]nput is provided to the terminal by an operator through I/O device 41 that the ticket is to be verified as a winning ticket (step 310).” Walker, col. 15, lines 36-38. Thus, the input/output device (41) of Walker is not configured to receive a request to cancel an unplayed lottery ticket as recited in Applicant’s claim 10 nor is the controller configured to activate the cancellation device in response to the request communicated from the input device as recited in Applicant’s claim 11. It is respectfully submitted that the proposed combination does not teach or suggest all the claim limitations of Applicant’s invention. For at least this reason, Applicant requests that the rejection to claims 10 and 11 be withdrawn.

As further regards claim 12, the Examiner states that “in view of Beaty’s teachings, it would have been obvious to one of ordinary skill in the art at the time of the invention to include, with the system and method taught by Walker et al as modified by Ehrhart et al, ... the output device being configured to produce an indication that a refund should be provided for a canceled ticket only after the ticket has been detected, in order to ensure that the unplayed lottery ticket has been marked prior to being canceled by the terminal, thereby preventing cancellation of a lottery ticket without being permanently marked, thus preventing fraud.” Office Action, June 19, 2003, at 6. Applicant respectfully submits that the proposed combination does not teach or suggest all the claim limitations of Applicant’s claim 12 for at least the same reasons explained above with regard to claims 10 and 11.

Furthermore, it is respectfully submitted that neither Walker, Ehrhart, Beaty nor their proposed combination teaches an output device configured to produce an indication that a refund should be provided for a canceled ticket only after the ticket has been permanently marked. As mentioned above, the function of the input/output device (41) of Walker is merely described as a device where the operator inputs information into the input/output device to verify whether the ticket is a winning ticket. No further references of the input/output device (41) are made throughout Walker with regard to the output portion of the input/output device (41). However, even the printer as referenced in Figure 15 of Walker does not teach the

output device as recited in Applicant's claim 12. *See* Walker, col. 14, lines 65 - col. 15, lines 6. Specifically, the printer only displays information if the ticket is valid and winning. Walker, col. 15, lines 1-6 ("If the information received from the lottery server indicates the ticket is valid and winning, then data including the ticket number, drawing date, and prize value is output to the printer (step 318) for printing on a receipt (step 320)."). Otherwise, the "lottery terminal process terminates." Walker, col. 15, lines 1-6. Thus, the input/output device of Walker is not only not related to canceling unplayed lottery tickets, but is also not configured to produce an indication that a refund should be provided for a canceled ticket only after the ticket has been detected, as recited in Applicant's claim 12.

In order for a claim to be rejected under 35 U.S.C. § 103(a), not only must the cited references teach or suggest each element of the claim, but the prior must also suggest combining the elements in the manner contemplated by the claim. *See* MPEP § 2141. The Examiner bears the initial burden of establishing a *prima facie* case of obviousness. *See* MPEP § 2142. To establish a *prima facie* case of obviousness, the Examiner must show, *inter alia*, that there is some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify or combine the references and that, when so modified or combined, the cited references teach or suggest all of the claim limitations. *See* MPEP § 2143. Applicant respectfully submits that neither of these criteria for obviousness are met here.

Applicant respectfully submits that there is no teaching or suggestion in the cited reference that would lead an ordinary artisan to the proposed combination even if the proposed combination were Applicant's invention. *See* MPEP § 2143.01 ("obviousness can only be established by combining or modifying the teachings of the cited references to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art").

In arguing for the proposed combination, the Examiner notes: "Beaty teaches canceling unplayed lottery tickets that contain a mistake, and that marking the ticket before imaging the ticket provides greater fraud protection." Office Action, June 19, 2003, at 7.



Although Applicant's claims, Beaty and Ehrhart are directed at eliminating fraud, Walker is not. Walker simply describes a system and process for generating, distributing, and processing lottery tickets guaranteed to win a drawing-based prize. Walker, Abstract. As the Examiner noted, "Walker et al as modified by Ehrhart et al fails to specifically teach canceling an unplayed lottery ticket." Office Action, June 19, 2003, at 5. Thus, there is no teaching, suggestion, or motivation to combine or modify Walker with Beaty or Ehrhart.

For at least the foregoing reasons, Applicant kindly requests that the rejection of claims 1-19 under 35 U.S.C. § 103(a) be withdrawn.

**V. NEW CLAIMS 20-23**

Claims 20-26 have been added. New claim 20 recites:

*20. (New) A lottery terminal configured for canceling an unplayed lottery ticket having a reactive area, comprising:*  
*a controller;*  
*a ticket receiver in communication with the controller, the ticket receiver configured to receive the unplayed lottery ticket for cancellation;*  
*an unconditional branding device in communication with the controller, the unconditional branding device configured to automatically cancel the unplayed lottery ticket by permanently branding the reactive area when the unplayed lottery ticket is received for cancellation; and*  
*an imaging device configured to image the unplayed lottery ticket while the unplayed lottery ticket is received for cancellation by the terminal, after the reactive area has been permanently branded.*

It is respectfully submitted that neither Walker, Ehrhart, Beaty nor their proposed combination renders new claim 20 obvious for similar reasons presented above for claims 1-19. Specifically, the proposed combination of cited references does not teach a lottery terminal configured for canceling an unplayed lottery ticket comprising an unconditional branding device. In addition, none of the references teach or suggest an unconditional branding device "configured to automatically cancel the unplayed lottery ticket by permanently branding the reactive area when the unplayed lottery ticket is received for cancellation." Thus, new claim 20 should be patentable over the cited references. Furthermore, since new claims 21-26 ultimately depend from claim 20, it is respectfully submitted that they are patentable over the cited references.

**VI. EXAMINER'S RESPONSE TO APPLICANT'S ARGUMENTS**

All of Applicant's arguments made in Applicant's Response to the Office Action dated April 19, 2002 are reasserted herein. The Examiner has stated that the arguments have been fully considered but are found to be not persuasive. Applicant requests that this response be withdrawn in view of the following remarks.

As regards Examiner's response that the teachings of Beaty provide the motivation for combining Beaty with Walker and Ehrhart, Applicant respectfully traverses. Examiner states that "Beaty teaches canceling unplayed lottery tickets that contain a mistake, and that marking the ticket before imaging the ticket provides greater fraud protection." Office Action, June 19, 2003, at 7. However, Applicant's claimed invention is further directed at reducing the time required to process a transaction, in particular a ticket cancellation. Specifically, initiating the branding process prior to authenticating the ticket, as per Applicant's claimed invention, may reduce the time required to process a cancellation transaction. As explained above, there is no motivation or suggestion for combining Beaty with Walker or Ehrhart for this purpose.

In justifying the combination of Walker, Beaty and Ehrhart, the Examiner states that "Beaty teaches several embodiments, one of which includes a printer as a marking device, thus providing a lottery terminal with an automated cancellation device." Office Action, June 19, 2003, at 7. However, there is no support for this conclusion. As stated above, neither Walker nor Ehrhart teaches an automated cancellation device. In addition, simply because Beaty includes a printer does not mean that the lottery terminal comprises an automated cancellation device. In fact, Beaty refers to the printer as "an auxiliary device." Beaty, col. 3, line 19. Thus, it is respectfully submitted that the Examiner's assertion that Beaty teaches an automated cancellation device, citing Beaty column 3, lines 18-27, is not supported by Beaty. Moreover, there is no support for the Examiner stating that "one of ordinary skill in the art at the time of the invention would select the automated embodiment as taught by Beaty." Again, an "automated embodiment" is neither cited in nor suggested by Beaty. In fact, Beaty states that "the scanner would have to read a void mark on the ticket along with a portion of the barcode before allowing cancellation either by completely reading the barcode or by accepting the manually entered serial number." Beaty, col. 3, lines 23-26. Thus, the device in Beaty

cannot be described as automated since unlike the present invention, the device must read the ticket before initiating the cancellation process.

Furthermore, Beaty neither describes nor claims a system, let alone a lottery terminal, with an automated cancellation device. As pointed out in Applicant's Response to Office Action dated April 19, 2002, Beaty expressly describes one of the advantages of his invention as being "the ability to modify the cancellation method without having to change hardware." Beaty, col. 2, lines 21-23. Thus, Beaty expressly teaches away from including additional hardware, such as the equipment described in Ehrhart and Walker, in the lottery terminal. There is no suggestion or motivation to combine the references. *See* MPEP § 2145 X.2 (references cannot be combined where reference teaches away from their combination).

Finally, Applicant respectfully submits that the Examiner's reading of the cited references is misplaced. As discussed above, the references cited do not teach or suggest all the claim limitations of the present invention. *See supra* pages 11-19. In view of this, it is respectfully submitted that there is no teaching or suggestion in the cited references that would lead an ordinary artisan to the proposed combination.

Withdrawal of the responses to Applicant's Response to Office Action dated April 19, 2002 is respectfully requested.

Appl. No. 09/549,410  
Att. Docket No. 12406/11  
Reply to Office action of June 19, 2003

**VII. CONCLUSION**

In light of the foregoing arguments, Applicant respectfully submits that all pending claims are in condition for allowance. The claimed invention is new, non-obvious, and useful. Prompt reconsideration and allowance of the present application are therefore earnestly solicited.

The Examiner is invited to contact the below-named attorney for any outstanding issues in connection with this application.

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Respectfully submitted,

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